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Dated: 11/28/05	Signature:  (Sandy Relman)

Docket No.: 335828001US1  
(PATENT)**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

**In re Patent Application of:**  
William D. Quigg

**Application No.: 09/849,504****Confirmation No.: 8692****Filed: May 4, 2001****Art Unit: 3622**

**For: SYSTEM AND METHOD FOR  
COORDINATING PRODUCTION AND  
DISTRIBUTION OF PAPER PRODUCTS  
PACKAGED WITH PROMOTIONAL  
MATERIALS**

**Examiner: D. Lastra****DECLARATION OF COMMERCIAL SUCCESS**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Sir:

I, William Donovan Quigg, hereby declare as follows:

1. I am the sole inventor of the above-identified patent application ("the Patent Application"), and the Chief Executive Officer of Grays Harbor Paper L.P. ("GHP"), the assignee of the Patent Application. I am familiar with the present invention described in the Patent Application and have reviewed and understand the Patent Application including the pending claims. I am also familiar with the products of GHP.

2. I understand that this Declaration is being used to support the patentability of the invention claimed in the Patent Application.

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3. Attached hereto as Exhibit A is an example of a ream wrap including an advertisement for an American Express® Card in accordance with one embodiment of the invention. This particular wrap has been used on reams of paper sold by Costco Wholesale Corporation ("Costco"). In this specific embodiment of the invention, the wrap corresponds to the "wrapper" of claim 52, the advertisement corresponds to the "promotional material" of claim 52, and the sheets of paper enclosed by the wrap correspond to "the plurality of unbound, stacked paper sheets" of claim 52. In other claims, the wrap, advertisement, and/or sheets of paper may correspond to other claim features.

4. Attached hereto as Exhibit B is a spreadsheet listing the number of cartons of paper sold and shipped each week by GHP to selected Costco Warehouses (identified by location numbers) between October 31, 2004 and September 25, 2005. Between October 31, 2004 and July 3, 2005, the shipped cartons did not include the claimed invention, and the average number of cartons shipped each week was 1,933. Between July 17, 2005 and September 25, 2005, the shipped cartons included the ream wrap illustrated in Exhibit A and/or other ream wraps that correspond to the claimed invention. During this period, the average number of cartons shipped each week was 3,251, which represents a 68% increase in the average number of cartons sold and shipped each week. I believe the 68% increase in sales would have been greater, but for the limit Costco has temporary placed on the number of cartons of paper (corresponding to the claimed invention) that each customer can purchase.

5. The increased sales of cartons to Costco is a direct result of the invention. Specifically, GHP collects remuneration from third-party advertisers who place advertisements on the ream wraps in accordance with an embodiment of the invention. Due to the remuneration from advertisers, GHP can reduce the price charged to Costco, which, in turn, can reduce the price charged to consumers. Costco's reduced price increases the volume of paper sold to consumers and, consequently, the volume of paper

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purchased from GHP. Accordingly, the increased sales to Costco is a direct result of the invention.

6. The increased sales of cartons to Costco is not a result of other events extraneous to the merits of the claimed invention. For example, GHP has not increased promotion of its paper products to Costco. Nor is Costco obligated to purchase cartons of paper from GHP.

7. Exhibits C-E are redacted Confidential Information Agreements ("the Agreements") signed by three different companies in conjunction with GHP's disclosure of the invention described in the Patent Application to the companies. The Agreements illustrate the interest of multiple companies in discussing, negotiating, and potentially consummating a business arrangement in which each company purchases paper products from GHP that include the claimed invention.

8. To the best of my knowledge the following describes an arrangement between Georgia-Pacific Corporation ("GP") and Xerox Corporation ("Xerox"). GP pays Xerox a fee to place the Xerox name and trademark on several lines of paper manufactured by GP. GP sells this paper directly to Costco such that Xerox never owns this paper even though the paper is labeled with the name Xerox.

9. I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 U.S.C. 1001, and that such willful false statements may jeopardize the validity of the application or any patent issuing thereon.

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William Quigg  
William Donovan Quigg

11-5-05  
Date

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**EXHIBIT A**



In re Patent Application of:  
William D. Quigg

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**EXHIBIT B**

Sum of CTNS	SHIPPED					
LOCATION	10/31/2004	11/7/2004	11/14/2004	11/21/2004	12/5/2004	12/12/2004
#0029		600		600		640
#0113		720		400	520	
#0124						
#0401						
#0403						
#0416						
#0438						
#0462				240		
#0464						
#0469						400
#0471						
#0483						
#0484		400		440		
#0487	120	440			320	
#0488						
#0764						
#0765						
#0770						
#0775						
#0781			840			
#0787		840	1680			
(blank)						
Grand Total	840	2280	2520	1680	840	1040

12/19/2004	12/26/2004	1/2/2005	1/16/2005	1/23/2005	1/30/2005	2/6/2005
	680	640		640	600	
		520	640	480	640	
					400	
						440
						400
400			440		240	
440			400		480	
					360	
		320	200		200	
					600	
			840			
1240	680	1480	2520	1480	3960	400

2/13/2005	2/20/2005	2/27/2005	3/6/2005	3/13/2005	3/20/2005	3/27/2005
	560			560	560	
	480	520		360	600	
					440	
					400	
		520				520
						320
					240	
	440		440		440	
	400		440		400	
		320				
	360			480		
		320			240	
600					600	
		840			840	
600	2240	2200	1200	1400	3920	1680

4/3/2005	4/10/2005	4/17/2005	4/24/2005	5/8/2005	5/15/2005	5/22/2005
600		520	640		520	560
	600	600		600	600	520
				520		
					400	
		400				
						320
		440				
		360				
				320		
				400		
				440	240	
		440				
		400				
			240			
			240			
		240	240	240		
					320	
						320
			1200			
						560
	840			840		
					840	
1440	1680	4000	1480	2520	3360	2280

5/29/2005	6/5/2005	6/12/2005	6/19/2005	6/26/2005	7/3/2005	7/17/2005
	640			1080		640
440		520				840
			240			
			600			
240						160
			400			
		480				400
	440					
		520		600		440
		440				
		200				200
		400				
480	440					560
760		320				
			400			
				320		280
1200						680
	840			840		840
3120	3360	2680	840	2520	320	5040

**Wrap Ads**

<u>7/24/2005</u>	<u>7/31/2005</u>	<u>8/7/2005</u>	<u>8/14/2005</u>	<u>8/21/2005</u>	<u>8/28/2005</u>	<u>9/4/2005</u>
					480	
		1440		520		
	360			600		360
			240			320
			600			480
					520	
			280		520	
320				360	680	
					320	
520				1000		
	480					520
		240				520
440	680		680		240	600
520					320	
400		680				320
	160	160	160		240	
320					840	
	840		520		840	0
			1680		840	
<b>2520</b>	<b>2520</b>	<b>2520</b>	<b>4160</b>	<b>3040</b>	<b>5040</b>	<b>2520</b>

9/11/2005	9/18/2005	9/25/2005 (blank)	Grand Total
680		840	11760
			14080
			1360
480			2640
			960
			1880
			1800
			1640
640		600	6280
	720		1920
			3720
			2200
280		440	7280
	520		7800
			2360
560		400	5000
200		240	1080
160	320		2840
	480		1040
	840		9320
			12600
2520	3360	2520	99560

In re Patent Application of:  
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Examiner: D. Lastra

**EXHIBIT C**

# Grays Harbor Paper, L.P.

## CONFIDENTIAL INFORMATION AGREEMENT

The "Effective Date" of this Agreement is August 11, 2005.

The "Recipient" under this Agreement , a corporation, whose address is

The subject matter and purpose of this agreement pertains to Grays Harbor Paper, L.P. ("GHP") and Recipient discussing, negotiating and potentially consummating and documenting a business arrangement wherein Recipient will purchase paper products from GHP which include a method of advertising on the paper product that is proprietary to GHP, including, but not limited to, certain methods and technologies for which GHP has a patent pending.

In consideration of the opportunity to gain access to GHP proprietary, confidential and trade secret information relating to (i) its general business and marketing strategy; (ii) its product development plans; (iii) the design of its products, the (iv) the manufacture of its products, and (v) specifically information pertaining to GHP's proposed method of advertising on GHP products (collectively, the "Confidential Information"), Recipient agrees (a) to retain in confidence all such Confidential Information; (b) not to disclose any such Confidential Information to anyone except Recipient's employees authorized to receive it and third parties to whom such disclosure is specifically authorized by GHP in writing; and (c) not to use GHP's Confidential Information for any purpose other than that for which it is disclosed.

Examples of Confidential Information include, without limitation, proprietary processes and designs, trade secrets, know-how, inventions (whether or not patentable), formulas, technical drawings and data, research subjects, methods and results, proprietary manufacturing processes, production techniques, plans for future products, marketing plans and strategies, pricing policies, cost and profit information, personnel, customer lists, supplier identities and the like, whether disclosed orally, in writing or by inspection. Notwithstanding any other provision in this Agreement, all Confidential Information disclosed in written format shall contain a conspicuous printed "Confidential" legend on the first page and all Confidential Information disclosed orally or visually shall be designated as constituting "Confidential Information" at the time of initial disclosure and shall be confirmed in writing within 30 days after the initial disclosure.

If, on the basis of the evaluation of the Confidential Information, Recipient wishes to pursue the exploration of any further business relationship, Recipient and GHP may engage in good faith negotiations to arrive at a mutually satisfactory agreement for these purposes. This Agreement does not grant Recipient any ownership of licensing rights in any Confidential Information disclosed, nor does it commit either party to any further business relationship.

REEST AVAILABLE COPY

The obligations imposed by this Agreement shall not apply to any Confidential Information that:

- a. Is already known to the Recipient as evidenced by documentation bearing a date prior to the date of disclosure; or
- b. Is publicly available or becomes so without breach of this Agreement by Recipient; or
- c. Is rightfully received from a third party without accompanying disclosure or use restrictions;
- d. Is approved for release in writing by GHP; or
- e. Is required to be disclosed by law.

The obligations set forth in this Agreement with respect to each item of Confidential Information will continue for a period of three (3) years from the disclosure date of such Confidential Information

The term of this Agreement shall be three (3) years from the date of its execution.

Recipient agrees that this Agreement shall be binding upon all of its agents, contractors, employees or associates and that it will take all steps necessary to ensure that such agents, contractors, employees or associates will comply with the terms and conditions of this Agreement.

The parties agree that this Agreement shall be construed under the laws of the State of Washington in the United States of America, without adherence to its choice of laws, and that the venue for any legal action instituted by any party hereon arising from, related to, or to enforce or interpret the provisions of, this Agreement shall be the proper state or federal court in the State of Washington. In the event any legal action is instituted by any party arising from, related to, or to enforce or interpret the provisions of this Agreement, the prevailing party in such action shall be entitled, in addition to all other relief that may be granted, to an award of its attorney's fees and costs.

GHP is entitled to seek an injunction to prevent threatened or continued violation of this Agreement, with or without the posting of bond, but failure to enforce this Agreement will not be deemed a waiver of this Agreement.

Upon request by GHP or upon completion of the business dealings relating to the Confidential Information, Recipient shall promptly return to GHP, or if requested by GHP destroy, all tangible material that discloses any of the Confidential Information and provide written confirmation of such destruction by an officer of Recipient.

Each person signing this Agreement represents and warrants that the entity for which he/she is signing has duly authorized this Agreement and he/she has the authority to sign it on behalf of such entity.

**Grays Harbor Paper, L.P.:**

By: L. Michael Dugay By:  
Name: L. Michael Dugay Name:  
Title: President Title

grays harbor redline.doc

BEST AVAILABLE COPY

In re Patent Application of:  
William D. Quigg

Application No.: 09/849,504

Confirmation No.: 8692

Filed: May 4, 2001

Art Unit: 3622

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Examiner: D. Lastra

**EXHIBIT D**

# *Grays Harbor Paper, L.P.*

## **CONFIDENTIAL INFORMATION AGREEMENT**

The "Effective Date" of this Agreement is April 5, 2005.

The "Recipient" under this Agreement is , a corporation, whose address is

The subject matter and purpose of this agreement pertains to Grays Harbor Paper, L.P. ("GHP") and Recipient discussing, negotiating and potentially consummating and documenting a business arrangement wherein Recipient will purchase paper products from GHP which include a method of advertising on the paper product that is proprietary to GHP, including, but not limited to, certain methods and technologies for which GHP has a patent pending.

In consideration of the opportunity to gain access to GHP proprietary, confidential and trade secret information relating to (i) its general business and marketing strategy; (ii) its product development plans; (iii) the design of its products, the (iv) the manufacture of its products, and (v) specifically information pertaining to GHP's proposed method of advertising on GHP products (collectively, the "Confidential Information"), Recipient agrees (a) to retain in confidence all such Confidential Information; (b) not to disclose any such Confidential Information to anyone except Recipient's employees authorized to receive it and third parties to whom such disclosure is specifically authorized by GHP in writing; and (c) not to use GHP's Confidential Information for any purpose other than that for which it is disclosed.

Examples of Confidential Information include, without limitation, proprietary processes and designs, trade secrets, know-how, inventions (whether or not patentable), formulas, technical drawings and data, research subjects, methods and results, proprietary manufacturing processes, production techniques, plans for future products, marketing plans and strategies, pricing policies, cost and profit information, personnel, customer lists, supplier identities and the like, whether disclosed orally, in writing or by inspection.

If, on the basis of the evaluation of the Confidential Information, Recipient wishes to pursue the exploration of any further business relationship, Recipient and GHP may engage in good faith negotiations to arrive at a mutually satisfactory agreement for these purposes. This Agreement does not grant Recipient any ownership of licensing rights in any Confidential Information disclosed, nor does it commit either party to any further business relationship.

The obligations imposed by this Agreement shall not apply to any Confidential Information that:

- a. Is already known to the Recipient as evidenced by documentation bearing a date prior to the date of disclosure; or
- b. Is publicly available or becomes so without breach of this Agreement by Recipient; or

- c. Is rightfully received from a third party without accompanying disclosure or use restrictions; or
- d. Is approved for release in writing by GHP;

and the obligations set forth in this Agreement will continue beyond the term of the Agreement and for so long as Recipient possesses Confidential Information.

Recipient agrees that this Agreement shall be binding upon all of its agents, contractors, employees or associates and that it will take all steps necessary to ensure that such agents, contractors, employees or associates will comply with the terms and conditions of this Agreement.

The parties agree that this Agreement shall be construed under the laws of the State of Washington in the United States of America, without adherence to its choice of laws, and that the venue for any legal action instituted by any party hereon arising from, related to, or to enforce or interpret the provisions of, this Agreement shall be the proper state or federal court in the State of Washington. In the event any legal action is instituted by any party arising from, related to, or to enforce or interpret the provisions of this Agreement, the prevailing party in such action shall be entitled, in addition to all other relief that may be granted, to an award of its attorney's fees and costs.

GHP is entitled to obtain an injunction to prevent threatened or continued violation of this Agreement, with or without the posting of bond, but failure to enforce this Agreement will not be deemed a waiver of this Agreement.

Upon request by GHP or upon completion of the business dealings relating to the Confidential Information, Recipient shall promptly return to GHP, or if requested by GHP destroy, all tangible material that discloses any of the Confidential Information and provide written confirmation of such destruction by an officer of Recipient.

Each person signing this Agreement represents and warrants that the entity for which he/she is signing has duly authorized this Agreement and he/she has the authority to sign it on behalf of such entity.

Grays Harbor Paper, L.P.:

By: <u>William D. Driggs</u>	By: _____
Name: <u>William D. Driggs</u>	Name: _____
Title: <u>President</u>	Title: _____

The duration of this agreement is two (2) years from effective date of this agreement.

In re Patent Application of:

William D. Quigg

Application No.: 09/849,504

Confirmation No.: 8692

Filed: May 4, 2001

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Examiner: D. Lastra

**EXHIBIT E**

# *Grays Harbor Paper, L.P.*

## **CONFIDENTIAL INFORMATION AGREEMENT**

The "Effective Date" of this Agreement is September 14, 2005.

The "Recipient" under this Agreement is \_\_\_\_\_, whose address is \_\_\_\_\_

The subject matter and purpose of this agreement pertains to Grays Harbor Paper, L.P. ("GHP") and Recipient discussing, negotiating and potentially consummating and documenting a business arrangement wherein Recipient will purchase paper products from GHP which include a method of advertising on the paper product that is proprietary to GHP, including, but not limited to, certain methods and technologies for which GHP has a patent pending. Before Recipient can determine if it desires to enter into discussions and/or negotiations for the aforementioned business relationship, Recipient needs to evaluate the patentability of the pending patent application.

In consideration of the opportunity to gain access to GHP's pending patent application and the confidential information contained therein and confidential information directly related thereto (the "Confidential Information"), Recipient agrees (a) to retain in confidence all such Confidential Information; (b) not to disclose any such Confidential Information to anyone except Recipient's employees authorized to receive it and third parties to whom such disclosure is specifically authorized by GHP in writing; and (c) not to use GHP's Confidential Information for any purpose other than Recipient's internal evaluation of GHP's patent application.

If, on the basis of the evaluation of the pending patent application, Recipient wishes to pursue the exploration of any further business relationship, Recipient and GHP may engage in good faith negotiations to arrive at a mutually satisfactory agreement for these purposes. This Agreement does not grant Recipient any ownership or licensing rights in any Confidential Information disclosed, nor does it commit either party to any further business relationship.

The obligations imposed by this Agreement shall not apply to any Confidential Information that:

- a. Is already known to the Recipient as evidenced by documentation bearing a date prior to the date of disclosure; or
- b. Is publicly available or becomes so without breach of this Agreement by Recipient; or
- c. Is rightfully received from a third party without accompanying disclosure or use restrictions; or
- d. Is approved for release in writing by GHP;

and the obligations set forth in this Agreement will continue for a period of eighteen (18) months from the Effective Date.

Recipient agrees that this Agreement shall be binding upon all of its agents, contractors, employees or associates and that it will take all steps necessary to ensure that such agents, contractors, employees or associates will comply with the terms and conditions of this Agreement.

The parties agree that this Agreement shall be construed under the laws of the State of Washington in the United States of America, without adherence to its choice of laws, and that the venue for any legal action instituted by any party hereon arising from, related to, or to enforce or interpret the provisions of, this Agreement shall be the proper state or federal court in the State of Washington. In the event any legal action is instituted by any party arising from, related to, or to enforce or interpret the provisions of this Agreement, the prevailing party in such action shall be entitled, in addition to all other relief that may be granted, to an award of its attorney's fees and costs.

Upon request by GHP or upon completion of the evaluation of the pending patent application, Recipient shall promptly return to GHP, or if requested by GHP destroy, all tangible material that discloses any of the Confidential Information and provide written confirmation of such destruction by an officer of Recipient.

Each person signing this Agreement represents and warrants that the entity for which he/she is signing has duly authorized this Agreement and he/she has the authority to sign it on behalf of such entity.

**Grays Harbor Paper, L.P.:**

By: <u>William D. O'Grady</u>	By: _____
Name: <u>William D. O'Grady</u>	Name: _____
Title: <u>President</u>	Title: _____